Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

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JUL 7 1992

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of Billed Party Preference for 0+ InterLATA Calls	)	CC Docket No. 92-77

COMMENTS OF
MASTERCARD INTERNATIONAL INCORPORATED
AND VISA U.S.A., INC.

ORIGINAL FILE

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SUMMARY

VISA and MasterCard urge the Commission to adopt billed party preference in a manner that will ensure that all billing mechanisms, including commercial credit cards, can be used as payment devices for 0+ calls. As the Commission noted, billed party preference offers many advantages over the current payphone presubscription regime. First, as its name implies, billed party preference allows the person paying for the call to select the interexchange carrier that will carry that call. Second, billed party preference makes 0+ calling easier and more user-friendly by eliminating the need for confusing and cumbersome access codes. Third, by focusing competition on consumers rather than payphone premises owners, billed party preference may improve the quality and costs of long distance service.

An equally important benefit of billed party preference is the potential it offers for universal availability of multiple billing mechanisms, including commercial credit cards, for all 0+ calling. The tremendous growth in subscription rates for joint carrier/commercial credit cards, as well as the industry's successful experience with the MasterPhone and VISAPhone programs, attests to the popularity of commercial credit cards as telecommunications billing options. These billing devices afford consumers additional features and protections not

available through telephone company calling cards and enable them to consolidate billing for telecommunications services with other retail purchases.

The technology necessary to implement billed party preference -- Signalling System 7 and LIDB -- is either currently available or is being deployed. With the addition of LEC Operation Support System ("OSS") software modifications, the system will be able to process 0+ calls billed to RAO and line number based carrier calling cards and ISO/ANSI formatted cards, such as 891 calling cards and commercial credit cards. Because the call processing functions are virtually identical, any delay in the deployment of software to process alternative billing devices, or any significant cost differential based on the type of billing mechanism, would discriminate in favor of carrier-issued calling cards and would be contrary to the public interest.

Given the tremendous advantages of opening up the 0+ market to alternative payment systems, such as commercial credit cards, and the absence of any technical limitations precluding its deployment, the Commission should mandate that all 0+ billing mechanisms are equally accessible by consumers in a billed party preference environment.

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COMMENTS OF MASTERCARD INTERNATIONAL INCORPORATED AND VISA U.S.A., INC.

Pursuant to the Notice of Proposed Rulemaking ("NPRM") released May 8, 1992, MasterCard International Incorporated ("MasterCard") and VISA U.S.A., Inc. ("VISA") submit these comments in support of billed party preference routing for all operator assisted calls.[1] VISA and MasterCard agree with the Commission's tentative conclusion that billed party preference "is in the public interest," NPRM at ¶ 1, but only if it is implemented in a manner that will ensure that consumers are afforded a wide variety of telecommunications billing options, including commercial credit cards, for all operator assisted calls.

1 Operator assisted calls refer to both 0+ and 0- calls. 0+ calls are made by dialing zero plus the telephone number of the called party. After receiving a tone, the calling party inputs the billing information. 0- calls are made by dialing zero and waiting for an operator to pick up the line. Calls are then routed and billed according to the calling party's oral instructions.

STATEMENT OF INTEREST

VISA is an association of over 19,000 financial institutions throughout the United States that are licensed to use VISA's service marks in connection with payment systems (including debit and credit cards), check authorizations, automated teller machines and related services. It is affiliated with VISA International, an association of over 21,000 financial institutions in 199 countries and territories. MasterCard is a not-for-profit corporation whose service marks are used for similar services by 29,000 member banks in 170 countries and territories. VISA member institutions have issued 145.1 million cards in the United States, while MasterCard member institutions have issued over 90 million cards. VISA and/or MasterCard are accepted at over 10 million merchant outlets worldwide and together account for more than 70% of the total volume of card payment transactions within the United States.

The credit card industry has long been involved in efforts to expand consumer options in telecommunications billing services. In conjunction with MCI Telecommunications, US Sprint and other domestic and international telecommunications companies, VISA and MasterCard developed the VISAPhone and MasterPhone programs, which enable cardholders from participating member banks to bill long distance calls to their bank cards. Currently, cardholders must dial an access code or 800 number to use the VISAPhone and/or MasterPhone programs. Although VISAPhone and MasterPhone subscribers cannot make 0+ calls with the same speed and convenience as users of telecommunications calling cards, the popularity of these programs evidences the tremendous consumer demand for commercial credit card billing options for telecommunications services.

Like the Commission, MasterCard and VISA recognize that the current payphone presubscription regime for 0+ calling is confusing and anticompetitive. Implementation of billed party preference serves the public interest by enhancing consumer choice and fostering competition and innovation in telephone billing services.

BACKGROUND

Billed party preference had its origins in the AT&T consent decree, which required the divested Regional Bell Operating Companies ("RBOCs") to provide equal access to telephone subscribers for competing interexchange carriers.[2] While equal access for 1+ calls followed relatively quickly

2 United States v. American Tel. and Tel. Co., 552 F. Supp. 131, 142-3 n. 46 (D.D.C. 1982), aff'd sub nom Maryland v. United States, 460 U.S. 1001 (1983).

after divestiture, technological limitations precluded early implementation of 0+ equal access.

The current payphone presubscription plan for 0+ calling was adopted by the Court in 1988.[3] Interpreting the consent decree's requirement that "the Regional Companies . . . offer exchange access as well as billing services on an equal and non-discriminatory basis,"[4] the Court observed that

> a system which permits the billed party to select the interexchange carrier of his choice simply by dialing 0+ most perfectly comports with the language and purposes of the decree.[5]

While noting that the Line Identification Data Base ("LIDB") system could be used to satisfy the RBOCs' equal access obligations, the Court concluded that LIDB was not technically perfected and thus sought an "alternative means . . . to provide equal access" until LIDB could be deployed.[6] After reviewing various alternatives, the Court opted for payphone presubscription. In selecting presubscription, the Court noted its "reservation that this

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3 The Court's action came in response to a motion filed by the Department of Justice to enjoin certain RBOC calling card practices that discriminated in favor of AT&T. See United States of America v. Western Elec. Co., 698 F. Supp. 348 (D.D.C. 1988).

4 Id. at 353.

5 Id. at 361.

6 Id.

option does not fully meet the [equal access] requirements . . . of the decree," and its expectation that the RBOCs would "continue expeditiously to perfect the LIDB system which, when placed into service, will permit full compliance with the decree."[7]

As the Court predicted, the current presubscription regime for operator assisted calls presents callers with a confusing and complicated set of options depending on the type of phone that is used and the consumer's ability to remember and dial access codes. This confusion can often create insurmountable obstacles to a consumer's ability to reach his preferred IXC. Unless the calling party takes affirmative action to "dial around" the presubscribed carrier, 0+ calls are routed to the IXC designated by the owner of the premises where the phone is located.

One of the major shortcomings of the current 0+ environment is that consumers have limited payment options. They can bill a 0+ call to a RBOC or IXC issued calling card, provided the presubscribed carrier has access to the card issuer's database to validate the card. Consumers wishing to charge 0+ calls to a commercial credit card -- such as MasterCard, VISA, American Express or the Discover card -- must either use a card reader pay telephone (a card

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7 Id. at 367.

swipe phone) or dial an 800 number to access an alternative operator service.[8]

DESCRIPTION OF BILLED PARTY PREFERENCE

Under billed party preference, phones would no longer be presubscribed to a particular IXC. Rather, 0+ calls would be routed to the IXC preselected by the party paying for the call. If implemented properly, billed party preference will afford consumers the ability to bill calls to commercial credit cards with the same ease and convenience as carrier calling cards.

A 0+ call in a billed party preference environment is routed to the LEC Operator Support System ("OSS"), which identifies the card issuer and routes the call to the appropriate card issuer database for validation. If the billing device is an RBOC-issued calling card, as illustrated in Appendix A, the call would be routed to that RBOC's LIDB, the database that maintains billing information for the RBOC's cards. If the billing device is an IXC-issued calling card, as illustrated in Appendix B, the call would be routed to that IXC's calling card database. Similarly, if the billing device is a commercial credit

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8 For example, VISAPhone and MasterPhone customers must dial an 800 number to access an MCI operator to process the call.

card, as illustrated in Appendix C, the call would be routed to that commercial credit card issuer's database.[9]

Once the LEC OSS transfers billing information to the appropriate database for validation, the database will identify the billed party's preferred IXC and forward that information back to the LEC OSS. The LEC OSS will then route the call to the chosen IXC.

The IXC that carries the call will be determined pursuant to procedures established by the Commission and the card issuer. The card issuer will record the IXC choice as an additional field in the card issuer database. Like LIDB, credit card databases already have the capability, or could be modified, to store the customer's preferred long distance carrier(s).

The basic technology necessary to implement billed party preference -- signalling system seven ("SS7") and LIDB -- is either currently available or is being

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9 This description and the appended illustrations reflect the Commission's as well as most carriers' understanding of how billed party preference will operate. See NPRM at ¶ 9; Ex Parte Presentation from Fred K. Konrad to Donna Searcy (Jan. 28, 1992) (Statement of Ameritech and MCI, RM-6723); The Bell Atlantic Telephone Companies Petition for Rulemaking to Establish Uniform Dialing Plan from Pay Telephones, RM 6723, Comments of Southwestern Bell Telephone Company, filed Nov. 22, 1991, at 4 (hereinafter "Comments of Southwestern Bell"). While it is possible that the network could be configured in another way to achieve billed party preference, the Commission should select the most efficient and cost effective means of implementing the service.

deployed.[10] While today's OSS does not include the software functionality to support commercial credit card acceptance under billed party preference, several RBOCs requested that Northern Telecom evaluate the feasibility of various software modifications and have informed the industry that the necessary functionality is available.[11] In fact, AT&T currently has the capability to process variable length cards, including commercial credit cards and 891 calling cards.[12] Thus, there can be no question that the technology exists to ensure equal access for all commercial credit and calling cards in the 0+ market.[13]

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10 As of mid-1991, all the RBOCs as well as Southern New England Telephone "had operational, interconnected LIDBs ready to serve telecommunications customers from coast to coast." Joan M. Michaels, Linking LIDBs For Nationwide Service, Bellcore Exchange, Jan./Feb. 1992 at 22. SS7 deployment commenced in the mid-1980's, and by 1994 all but one of the RBOCs will have at least a majority of their access lines served by switches operating under SS7. Bell Atlantic, for example, "will have 90% deployment of SS7 in the 1993-to-1994 time frame." Network World, May 20, 1991 at 11.

11 The software modification would enable the system to accept different card lengths and identify the card issuer by the number and type of digits.

12 891 cards, like commercial credit cards, comply with standards published by the American National Standards Institute ("ANSI") and the International Organization for Standardization ("ISO"). The maximum length of a 891 card is 19 digits, the first six of which identify the industry (i.e., telecommunications) in which the card issuer is primarily engaged, the country from which the card was issued, and the name of the card issuer.

13 In an earlier FCC proceeding on billed party preference, Southwestern Bell stated that "billed party preference
(Footnote 13 Continued)

In short, with appropriate software modifications, the LEC OSS will be able to identify: (1) RBOC-issued calling cards,[14] (2) IXC-issued Card Issuer Identifier ("CIID") cards,[15] and (3) ISO/ANSI formatted cards, such as 891 calling cards and commercial credit cards.

DISCUSSION

I. BILLED PARTY PREFERENCE, IF PROPERLY IMPLEMENTED, WILL SERVE THE PUBLIC INTEREST.

The Commission has tentatively concluded that "billed party preference routing of all 0+ interLATA calls is in the public interest." NPRM at ¶ 1. As discussed below, billed party preference will expand consumer choice by allowing consumers to reach their preferred IXC directly, without access code dialing. Further, billed party preference will focus competition on consumers, rather than

(Footnote 13 Continued)
should apply to all billing mechanisms," including commercial credit cards, and outlined the technology discussed above for implementing the service. Comments of Southwestern Bell at 10.

14 RBOC-issued calling cards utilize a 14 digit numbering scheme, comprised of a ten digit customer account number and a four digit pin. For line number based cards, the customer's account number is his or her telephone number. For RAO cards, the customer's account number is not associated with his or her telephone number.

15 CIID cards, like RBOC RAO cards, utilize a 14 digit numbering scheme comprised of a ten digit account number and a four digit pin number. The first six digits of the card identify the card issuer.

payphone premises owners, thus improving the quality of service and potentially reducing customer costs.

A. Billed Party Preference Provides Consumers With Greater and More Convenient Billing Options.

Billed party preference offers a number of advantages over the current method of 0+ calling. First, and foremost, it affords the party paying for the call the ability to reach his preferred IXC. Second, billed party preference, if implemented properly, permits consumers to designate multiple IXC's for their 0+ calls through the use of more than one calling card or commercial credit card. A customer could designate one IXC to carry calls billed to his LEC card, for example, and another to carry calls billed to his MasterCard or VISA. Customers can monitor the rates charged for 0+ calls by the various interexchange carriers and take advantage of as many discounts and calling plans as possible. Further, customers can designate one card for personal use and another for business use.

Third, billed party preference will make 0+ calling less confusing for the consumer by eliminating the need for 10XXX, 800 or 950 access codes. As the court recognized in *United States of America v. Western Elec. Co.*, the MFJ requires the RBOCs to:

> offer . . . access that permits each subscriber automatically to route, *without the use of access codes*, all subscriber's interexchange communications

> to the interexchange carrier of the customer's designation.

698 F. Supp. at 361 (emphasis added). The Court viewed presubscription with dial around access codes as an interim equal access measure until the technology could be developed that would eliminate the need for such codes. As discussed previously, SS7 and LIDB -- the essential technology necessary to implement billed party preference -- are being deployed. Accordingly, it is no longer necessary to require cumbersome access codes to allow a billing party to select his preferred IXC for 0+ traffic. Access codes were an impediment to the development of competition in the 1+ marketplace and their continued use in the 0+ arena has the same anticompetitive effect.

B. Billed Party Preference Will Improve the Quality of 0+ Service by Focusing Competition On the End User.

Billed party preference focuses competition for 0+ calling on the provision of service, not on the payment of commissions to payphone premises owners. As the Commission recognized, the current presubscription system provides every incentive for IXCs to pay high commissions to premises owners, "the costs of which apparently are passed on to consumers through higher operator service rates . . . ." NPRM at ¶ 19. Consumers are frustrated not only by the varying rates charged under presubscription 0+ dialing, but also the poor quality of service they receive from different Operator Service Providers ("OSPs") and IXCs. Because payphones are presubscribed based on the premises owner's choice, a consumer can place only indirect pressure on IXCs to improve service quality by complaining to premises owners. Under billed party preference, IXCs will have every incentive to improve service quality and make their rates competitive to attract new business and retain current subscribers.

II. BILLED PARTY PREFERENCE OPENS THE 0+ MARKET TO GREATER COMPETITION.

As the Commission recognized in its NPRM, the presubscription plan currently employed for 0+ payphone calls "tends to favor the OSP -- in this case AT&T -- with the largest number of customers."[16] As discussed below, billed party preference will eliminate the anticompetitive effects of presubscription by opening up the marketplace to more competitors and by enabling smaller IXCs, that might not be able to issue their own card, to affiliate with larger or more established card issuers.

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16 NPRM at ¶ 20. AT&T's advantages under presubscription stem in part from its ability to limit the availability of its calling plan card discounts to customers who bill calls to AT&T cards. See AT&T Communications Revisions to Tariff F.C.C. No. 1, Mem. Op. and Order, CC Docket No. 92-95, FCC 92-226 (released June 2, 1992). Moreover, because most phones are presubscribed to AT&T, competitive carriers in a presubscription regime face the difficult task of instructing customers to dial an access code to reach the desired IXC.

A. **Billed Party Preference Facilitates the Use of Commercial Credit Cards as a Payment Mechanism.**

Billed party preference will increase competition by permitting, for the first time, the universal acceptance of commercial credit cards as a payment mechanism for all 0+ calling. Commercial credit cards provide customers with many additional features and protections not available through the use of telephone company calling cards. For example, commercial credit cards are subject to all of the requirements of the Federal Reserve Board's Regulation Z and the banks' high customer service standards.[17] These include substantial consumer safeguards, such as prompt crediting of refunds and detailed dispute resolution procedures. Telephone company calling cards, on the other hand, adhere to only two limited requirements of Regulation Z.[18] Commercial credit cards also permit consumers to pay their bills over time without incurring the risk that telephone service will be terminated.[19] Consumers can further consolidate bills for telephone usage and other goods and

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17 See 12 C.F.R. §§ 226.1-226.30 (1992).

18 Id. at § 226.3(c) (1992).

19 The Commission has left to the states the question of whether the LECs could offer local dialtone denial for nonpayment of interexchange services billed by the LEC. Detariffing of Billing and Collection Services, Report and Order, 102 F.C.C. 2d 1150, 1176-77 (1986), recon. denied, 1 FCC Rcd. 445 (1986).

services, thus enjoying the convenience of a single monthly payment.

Universal acceptance of commercial credit cards for 0+ calls will also benefit those consumers who do not have a domestic telecommunications calling card. Foreign citizens travelling in the United States, for example, frequently have no means to make long distance payphone calls other than on a coin-paid basis, significantly limiting their access to the domestic public switched network.[20] Similarly, many domestic consumers either do not have a carrier-issued calling card or do not routinely carry it with them. Universal acceptance of commercial credit cards through billed party preference will provide those consumers with a readily accessible billing alternative when making calls away from home.

That consumers desire the option of billing their 0+ calls to a commercial credit card is evidenced not only by the success of VISAPhone, MasterPhone and similar services, but also by expanding consumer enrollment in joint card programs, such as the affinity card arrangements offered with Ameritech, AT&T and Southern New England

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20 Since inception of the VISAPhone program, VISA has enrolled over 3.5 million cardholders from Europe, Asia, and Latin America. These subscribers use the VISAPhone program to access the public switched network when travelling in the United States.

Telephone Company.[21] Burgeoning consumer demand for this alternative telecommunications billing device is perhaps most evident in the enormous success of the AT&T Universal Card.[22] Since 1990, 13 million people have enrolled in the Universal Card program, thereby gaining the ability to bill their long distance calls to their commercial credit card accounts.[23] And, as AT&T reports, Universal cardholders have enthusiastically embraced this payment alternative. Indeed, when presented with the option of using a telephone calling card or a Universal Card, AT&T customers opt to use their Universal Cards 50% more often.[24]

The public interest requires that consumers be afforded a full panoply of telecommunications billing options, including commercial credit cards. Within the

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21 Numerous other LECs and IXCs are currently considering participation in an affinity card arrangement.

22 The AT&T Universal Card is both a commercial credit card, bearing a VISA or MasterCard account number, and a telecommunications calling card, bearing a CIID-formatted number.

23 Yvette D. Kantrow, The Wrath of Paul Kahn: AT&T Card Boss Speaks Out, American Banker, June 9, 1992 at 5.

24 Id. at 5. Experience in other small transaction markets also confirms that consumers will take advantage of the opportunity to pay for goods and services using a commercial credit card if given that option. For example, consumers have responded very favorably to the introduction of bank cards as payment mechanisms at fast food restaurants, gas stations and grocery stores. See Andrea Gordon, It's Fast Times for Fast Food Credit, Credit Card Management, Mar./Apr. 1989 at 38.

United Kingdom, Australia and Hong Kong consumers will soon have the option to bill telecommunications services to commercial credit cards with the same speed, cost and convenience as use of a telephone company calling card. Numerous other countries are presently considering modifications that will guarantee customers equivalent access to commercial credit card billing services when making operator-assisted long distance calls. Proper implementation of billed party preference will achieve this same result and ensure that United States consumers are afforded the same payment options and benefits that are enjoyed by their counterparts in other nations.

B. Smaller IXCs Can Affiliate with Larger Card Issuers Under Billed Party Preference to Achieve Greater Competition in the 0+ Market.

A final advantage of billed party preference, as the Commission notes, is that every IXC has "the same opportunity to offer interested customers 0+ dialing, regardless of the size of its customer base and . . . whether other IXCs use proprietary calling cards." NPRM at ¶ 21. Smaller IXCs have expressed concern that they will not be able to compete under billed party preference because they do not currently issue calling cards. To the extent such IXCs do not find it profitable to develop and market their own card, they can affiliate with an existing card issuer that has an established customer base. The IXC could advertise its services to the card issuer's customers and request that those customers designate the IXC as their preferred carrier. As large IXCs, such as AT&T, move towards proprietary calling card arrangements, the smaller IXCs' ability to affiliate with established card issuers, such as banks and other financial institutions, provides a powerful means to compete with the dominant long distance providers.

III. THE COMMISSION SHOULD ENSURE THAT BILLED PARTY PREFERENCE IS IMPLEMENTED IN THE MOST COST-EFFECTIVE AND NONDISCRIMINATORY MANNER POSSIBLE.

The Commission seeks comment on the costs of implementing and operating a billed party preference system. NPRM at ¶ 25. As it noted, estimates of the costs of implementing the service vary greatly, from Southwestern Bell's $50 million to AT&T's $560 million. While MasterCard and VISA do not have access to the underlying data used in developing these estimates, and therefore cannot fully comment on the validity of the various cost projections, some general observations should be made.

First, in determining whether this important new service is cost-effective, the Commission should consider only those costs that are directly attributable to billed party preference. Billed party preference is designed to achieve equal access for 0+ calls. As the Commission has long recognized, the costs attributable to equal access:

> include only those initial incremental presubscription costs and initial incremental expenditures for hardware and software related directly to the provision of equal access which would not be required to upgrade the switching capabilities of the office involved absent the provision of equal access.

Petitions for Recovery of Equal Access and Network Configuration Costs, Mem. Op. and Order, FCC No. 85-628, 1985 FCC LEXIS 2185 at ¶ 18 (released Dec. 9, 1985), modified, 1 FCC Rcd. 434 (1986) ("EANR"). Just as the network reconfiguration costs associated with the AT&T divestiture were not considered equal access expenditures, so too the costs of SS7 technology are not properly considered a cost of providing 0+ equal access through billed party preference. SS7 technology benefits users of telecommunications services well beyond the routing of 0+ traffic; as AT&T and the RBOCs have repeatedly stressed, common channel signalling is the foundation upon which the public switched network of the 21st century will be built. Implementation of SS7 should accordingly be treated as a general network upgrade, the costs of which are borne by the entire body of ratepayers.[25]

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25 Provision of Access for 800 Service, Memorandum Opinion and Order on Reconsideration and Second Supplemental Notice of Proposed Rulemaking, MM Docket No. 86-10, 6 FCC Rcd. 5421, 5428 ("SS7 represents a general network upgrade, the core costs of which should be borne by all network users").

Second, the Commission should ensure that billed party preference is implemented in a nondiscriminatory manner. The public switched network currently possesses the ability to accept 891 card number formats and to launch queries to an 891 card issuer. The same basic functionalities will be used to support billed party preference. Any additional OSS processing costs under billed party preference should be negligible. Because commercial credit cards and 891 calling cards are both ISO/ANSI formatted, the processing of both cards is virtually identical. Efficiency therefore requires that the functionality for processing commercial credit cards be incorporated at the same time billed party preference is introduced. As the Commission recognized in the conversion to 1+ equal access,

> [t]he . . . necessity of retrofitting many switching offices resulted in additional costs, which exceeded substantially the costs at which equal access could have been provided if it had been included in network switching equipment when first installed. We hope to prevent such problems from occurring when ESPs seek new ways of interconnecting with the BOC networks in the future.[26]

Delaying implementation of commercial credit card or 891 card functionality would serve only to discriminate in favor

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26 Filing and Review of Open Network Architecture Plans, Memorandum Opinion and Order, CC Docket No. 88-2 Phase 1, 4 FCC Rcd. 1, 202 (1988), modified, 5 FCC Rcd. 3084 (1990).

of RBOC-issued calling cards. That result would unduly limit consumer choice and irreparably hinder competition in the provision of telecommunications billing services.[27]

Finally, in determining the appropriate rate structure for recovering the costs of billed party preference, the Commission should be guided by the following considerations. First, as noted above, only those costs that are directly attributable to billed party preference should be recovered from that service. Thus, the rates for establishing links to alternative billing databases, such as credit card databases, should be reasonable and cost-based. Second, absent compelling cost justifications, the LECs should be prohibited from establishing rates that vary the cost of billed party preference according to the billing method selected by the consumer. Charging different rates for identical call processing functions would be unjust and unreasonable, and would significantly undermine the benefits of billed party preference by preventing commercial credit cards and other payment devices from competing on an equal footing with carrier-issued calling cards.

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27 As the Commission has stated in the Open Network Architecture context, "new network technologies are, to the extent feasible, [to be] developed and deployed in ways that promote, rather than impede, competition. Our policy recognizes that in many situations open, pro-competitive network designs are no more difficult to develop or operate than closed, non-competitive ones -- provided the proper planning is done early in the process." Id.

IV. BILLED PARTY PREFERENCE MUST APPLY TO ALL TYPES OF OPERATOR ASSISTED TRAFFIC FROM ALL PHONES.

Because of the numerous benefits of billed party preference, the Commission should promulgate regulations that insure universal availability of the service. Thus, billed party preference should apply to all 0+ traffic from any phone. Although billed party preference was originally envisioned to ensure equal access to payphone users, the benefits of billed party preference could and should be extended to 0+ calls made from any phone. Anything short of universal billed party preference service would create customer confusion and provide the potential to evade billed party preference by astute premises owners.

By mandating billed party preference for all 0+ calling, the process of making 0+ calls will be greatly simplified. From any phone, including those in residences, hotels, streets or restaurants, consumers will know exactly what to do and exactly which carrier will process the call. If billed party preference is adopted only for calls from RBOC-owned payphones, the benefits of simplicity and uniformity will be eviscerated, and the problems inherent in the presubscription world will unfortunately remain.

Moreover, limiting availability of billed party preference to RBOC and GTE owned phones will encourage